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STATISTICS OF PRIVATE CORPORATIONS.

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The rapid growth of private corporations is one of the striking features of the present industrial development. More prominent perhaps in the United States than elsewhere, it is nevertheless to be observed in all countries which have felt the spur of recent industrial progress. It has been accepted here as a necessary concomitant of modern methods of doing business, and there has been little disposition to object to the principle of stock companies or corporations. Certain forms of corporations have at various times been the target of hostile legislation, but in general the tenor of our laws has been favorable to the growth of corporations. It cannot be our purpose to review here the legislation on the subject. We can only note the fact that legislation on the subject of the foundation and conduct of corporative enterprises has been rather lax, and that very few guarantees in the interest of the public have been required. Or, to state the proposition inversely, very few hindrances have, at least since the passage of general incorporation laws, been placed in the way of persons desiring to secure charters. Under these circumstances there has been the fullest latitude allowed for the operation of all those forces which have tended to further the growth. As a result, corporations have multiplied in the United States in a manner unheard of in countries whose legislation contains more restrictive features. According to the figures given in the new German encyclopædia (*Handwoerterbuch der Staatswissenschaften*, Article, *Aktiengesellschaften*, *Statistik*) such companies were founded in European countries for the year 1885 as follows: Austria, 10; Belgium, 472; France, 325; German Empire, except

Bavaria, 70; Great Britain and Ireland, 1,405. It is impossible to say how many were founded in the same year in the United States, but a glance at the table given later will show that the number must have been far greater even than that given for Great Britain and Ireland, since ten states only for which we have figures show a total of 1,779. In view of such an extraordinary record as this, it may not be out of place to study the growth of corporations with such material as we have at hand, pointing out the reasons which have led to it, and endeavoring to ascertain in what degree we may be able to secure for it a statistical measure.

We need not go far to seek the causes which lead to the foundation of corporations. They are economic and legal advantages over the conduct of enterprises by individuals or private firms. Corporations are founded for carrying on large enterprises for which the capital of individuals or groups of individuals is insufficient. This is their economic justification, and their services to the cause of industrial progress in making available sufficient capital for great enterprises like our railroads and ship canals have always been duly recognized. The inability, however, of securing a sufficient capital by other means is not the only reason leading to the foundation of corporative enterprises. A corporation possesses distinct advantages over the individual or business firm in its limited liability, and in its perpetuity. The latter point is of extreme importance. It renders an investment of capital secure as long as the business prospers. The business firm dissolves by the death of a member. The holder of the stock of a corporation, on the other hand, knows that at his death his heirs need not disturb the investment of the capital, and if they do so the enterprise itself is not interrupted but simply changes owners. Again, the form of a corporation renders changes in ownership very easy. Numerous corporations are formed simply and only for the purpose of getting rid of an enterprise which cannot readily be sold in any other way. These legal features are of much

importance also in the case of corporations which require for the exercise of their business the grant of franchises from public bodies. Wholly apart from the charge of monopoly which would be raised if a city, for example, were to give a private individual the right to construct a street railroad, it would hesitate to enter into such a contract for any number of years with a person who might soon die, and thus cause the contract to fall.

It is not our purpose to discuss here the relative justification of corporations founded upon one reason or the other. The question whether the formation of corporations simply for the legal advantages which result from this form of organization is to be approved cannot be answered by statistical means. Its discussion here would be out of place. In the following pages it shall be our endeavor to bring out simply the facts in regard to corporations, so far as our material will allow.

The materials at our disposal for a statistical study of corporations in the United States are neither numerous or complete. In the course of the following discussion no use has been made of the stock exchange manuals in which there is a great deal of information to be found, for these omit many corporations of prime importance for our investigation. What are termed mercantile stocks do not cut a very prominent figure in these manuals, and yet these are the most striking feature in the more recent history of corporative undertakings.

In the following tables we deal exclusively with figures gathered from official lists of charters granted to incorporations, which are usually compiled from the records in the office of the Secretaries of State. The list which follows shows the states which make such a publication and the document in which it may be found.

ALABAMA. No published list.

ARKANSAS. Secretary of State Report since 1886.

- CALIFORNIA. No published list except in 1886. Records with Secretary of State.
- COLORADO. Secretary of State Report since 1881.
- CONNECTICUT. Vols. 8, 9, and 10. Special Laws.
- DELAWARE. No published list.
- FLORIDA. Secretary of State Report.
- GEORGIA. No published list.
- ILLINOIS. No published list.
- INDIANA. No published list. Records with Secretary of State.
- IOWA. No published list.
- KANSAS. No published list.
- KENTUCKY. No published list.
- LOUISIANA. No published list.
- MAINE. Business Corporations list since 1887.
- MARYLAND. No published list. No records with Secretary of State.
- MASSACHUSETTS. Commissioner of Corporations Report since 1863.
- MICHIGAN. No published list.
- MINNESOTA. Secretary of State Report.
- MISSISSIPPI. Secretary of State Report since 1878.
- MISSOURI. Missouri Manual for 1887-88, not previously.
- NEBRASKA. Secretary of State Report since 1880.
- NEVADA. No published list. Records with Secretary of State.
- NEW HAMPSHIRE. No published list.
- NEW JERSEY. List now in preparation.
- NEW YORK. No published list.
- NORTH CAROLINA. No published list.
- OHIO. Ohio Statistics since 1871.
- OREGON. Secretary of State Report since 1867.
- PENNSYLVANIA. Pamphlet laws since 1874.
- RHODE ISLAND. No published list.
- SOUTH CAROLINA. Secretary of State Report since 1886.
- TENNESSEE. No published list.
- TEXAS. Secretary of State Report, 1888.
- VERMONT. No published list.
- VIRGINIA. Acts of Assembly since 1879-80.
- WEST VIRGINIA. No published list. Records with Secretary of State.
- WISCONSIN. Secretary of State Report since 1869.

The most casual glance at the list shows that we have data for comparatively few states. In all of these they are not available for purposes of comparison. In such circumstances we cannot hope to carry out certain lines of investigation. It would be useless to attempt even to estimate the total number of corporations chartered in any one year in order to compare this with figures for foreign countries. In many cases, however, in which the statistician may require complete figures to establish ratios between the subject of his study and others, he is able, nevertheless, to detect well defined tendencies even with the most incomplete data. It is with such general tendencies that we are concerned in this study. It is believed that, despite the many defects in the material, we may still reach some results of value to the student.

All the states mentioned in the list as publishing data do not figure in the tables which follow. For Oregon it was impossible for the writer to secure the reports. The report of the Secretary of State of Florida gives an account of his dealings with incorporated companies, but it is not clearly stated which relate to granting charters, and which to amending already existing ones. In Pennsylvania the list published in the pamphlet laws was, in the earlier numbers, made up to the date of publishing the laws, which was in some cases more, in some less, than a year from the last previous date of publication. More recently the list has been published for a biennial period, without any indication of the year in which the charter of each corporation is issued. The same holds true of the lists for Virginia. It is evident, therefore, that these states could not be introduced into the tables.

The lists to be found for the remaining states differ very considerably in their nature, and it must be our first task to ascertain in what degree this fact limits the use that may be made of them. The figures relate in the first place to different years, in some cases the calendar year, in others the fiscal years of the respective states. Again, the figures do not in-

clude all corporations chartered in the given year, but only those organized under general laws. An exception is in the case of Maine in the first table, in which all corporations are included. As a result of omitting corporations which are created by special acts, our figures are not exhaustive. The fact that a state has a general incorporation act does not warrant us in inferring that it does not grant charters by special legislation. For example, Massachusetts chartered in 1889 nine corporations for business purposes by special act, in addition to those organized under the general law. In other states the number is much greater, as, for instance, in Connecticut. Again, certain categories of corporations do not figure in the lists. Such, for instance, are railroad companies, which offer so many peculiarities that they can be better studied as a separate subject. Our present concern is with what are termed miscellaneous corporations. In the northern states this will not include banks as a rule, and in some insurance companies are not included. The exact facts will depend on the degree in which special officials are charged with the supervision of these special classes of corporations. The great bulk of corporations for business purposes will nevertheless be included in our figures, and the number for each state will be large enough for the purposes of our investigation. Enough has however been said to show that we cannot compare one state with another in the figures which we will present. Our comparisons must be confined to the figures for the different years for the same state. We can now proceed to the study of the actual figures with a clearer comprehension of their meaning than would have been possible without this extended discussion of the material.

We give in Table I the number of charters granted to corporations in several states for a series of years.

In this table we are able in some cases to give extended lists of figures, as some states in commencing the publication of periodical lists published also lists covering the previous years represented in the hitherto unpublished records. There

Table I.

CORPORATIONS CHARTERED.

	Arkansas. ¹	Colorado. ²	Connecticut.	Maine.	Massachusetts.	Minnesota. ³	Mississippi. ⁴	Missouri.	Nebraska. ⁵	Ohio. ⁶	S. Carolina.	Texas.	Wisconsin. ⁷
1820				3	....	....	....	....	....	....	..	....	....
1821				14	....	....	....	....	....	....	..	....	....
1822				10	....	....	....	....	....	....	..	....	....
1823				13	....	....	....	....	....	....	..	....	....
1824				9	....	....	....	....	....	....	..	....	....
1825				18	....	....	....	....	....	....	..	....	....
1826				18	....	....	....	....	....	....	..	....	....
1827				19	....	....	....	....	....	....	..	....	....
1828				12	....	....	....	....	....	....	..	....	....
1829				16	....	....	....	....	....	....	..	....	....
1830				13	....	....	....	....	....	....	..	....	....
1831				19	....	....	....	....	....	....	..	....	....
1832				21	....	....	....	....	....	....	..	....	....
1833				25	....	....	....	....	....	....	..	....	....
1834				44	....	....	....	....	....	....	..	....	....
1835				25	....	....	....	....	....	....	..	....	....
1836				129	....	....	....	....	....	....	..	....	....
1837			13	106	....	....	....	....	....	....	..	....	....
1838			22	33	....	....	....	....	....	....	..	....	....
1839			10	15	....	....	....	....	....	....	..	....	....
1840			4	3	....	....	....	....	....	....	..	....	....
1841			10	18	....	....	....	....	....	....	..	....	....
1842			5	11	....	....	....	....	....	....	..	....	....
1843			8	10	....	....	....	....	....	....	..	....	....
1844			9	17	....	....	....	....	....	....	..	....	....
1845			19	29	....	....	....	....	....	....	..	....	....
1846			18	43	....	....	....	....	....	....	..	....	....
1847			26	32	....	....	....	....	....	....	..	....	....
1848			14	28	....	....	....	....	....	....	..	....	....
1849			29	34	....	....	....	....	....	....	..	....	....
1850			38	25	....	....	....	....	....	....	..	....	....
1851			44	9	8	....	....	....	....	....	..	....	....
1852			85	54	20	....	....	....	....	....	..	....	....
1853			132	61	21	....	....	....	....	....	..	....	....
1854			107	63	13	....	....	....	....	....	..	....	....
1855			48	32	31	....	....	....	....	....	..	....	....
1856			26	38	27	....	....	....	....	....	..	....	....
1857			28	38	25	....	....	....	....	....	..	....	....
1858			18	14	11	....	....	....	....	....	..	....	....
1859			22	30	20	....	....	....	....	....	..	....	....
1860			26	31	21	....	....	....	....	....	..	....	....
1861			14	15	16	....	....	....	....	....	..	....	....
1862			18	17	20	....	....	....	....	....	..	....	....
1863			27	15	56	....	....	....	....	....	..	....	....
1864			77	32	174	....	....	....	....	....	..	....	....
1865			94	33	136	....	....	....	....	....	..	....	....
1866			22	59	163	....	....	....	....	....	..	....	....
1867			65	55	87	....	....	....	....	....	..	....	....
1868			72	50	89	....	....	....	....	....	..	....	....
1869			66	65	56	....	....	....	....	....	..	....	....
1870			62	77	29	....	....	....	....	....	..	....	9
1871				72	88	....	....	....	....	348	..	....	10
1872				64	82	....	....	....	....	387	..	55	8
1873				92	89	....	....	....	....	386	..	82	25
1874				111	78	....	....	....	....	279	..	91	41
1875				76	85	....	....	....	....	346	..	209	67
1876				26	63	....	....	....	....	261	..	153	47
1877				44	71	....	....	....	....	242	..	77	53
1878				35	68	....	5	....	....	226	..	81	58
1879				69	75	....	5	....	12	294	..	80	....
1880				262	145	....	14	....	14	392	..	91	90
1881		1129	95	269	153	....	27	....	27	477	..	163	99
1882		505	94	233	141	....	206	....	36	581	..	200	164
1883			101	255	135	118	39	....	58	602	..	280	190
1884			76	226	143	233	33	....	76	507	..	263	189
1885	38	....	93	241	113	215	29	....	63	578	..	226	183
1886	62	....	98	229	143	289	38	....	113	621	..	163	262
1887	118	450	115	362	155	397	57	407	203	775	20	288	579
1888	121	470	108	302	195	404	69	446	207	664	49	271	383
1889				368	233	372	85	....	....	748	78	....	....

¹ Manufacturing corporations. ² Year ends Nov. 30th. ³ Year ends July 31st. ⁴ Includes companies with capital before 1884. After that date no figures as to capital being found in the reports. I have given the number of such corporations as were *apparently* business corporations. In 1882 there were 17 such, the remainder being marriage associations. ⁵ Year ends Nov. 30th. ⁶ Year ends Nov. 15th. Includes railroad companies. ⁷ Year ends Sept. 30th.

are however some unfortunate gaps in the table. Connecticut published in 1870 a list of corporations chartered previous to that date, but in 1880 the published list contained only such companies as were then in existence. As a consequence the intervening years had to remain blank in our table. The gaps under Wisconsin and Colorado, on the other hand, occur through my inability to secure the reports. In passing, it may be well to explain that the enormous number of corporations in Colorado in the year 1881 is due to the formation of mining companies in that year on the wholesale.

A study of the foregoing table shows a constant increase in the number of corporations chartered from year to year. This increase is not however uniform, but follows the ups and downs of business prosperity with great regularity. The influence of periods of speculation can be read very clearly in the figures of the table. Thus in Maine the number chartered in the years 1836 is not reached again until we reach the year 1880, and the number chartered in 1837 is only exceeded by one year before the same date. Again, we would call attention to the small number chartered in the year 1858. In more recent times we can see the influence of the speculative period which culminated in the crisis of 1873. Despite however these fits and starts, which index in a measure the business prosperity of the time, the general tendency has been to increase. This has been notably the case since the year 1880. It seems almost as if this year were the dividing line between an old and new period.

It is not an uninteresting study to observe how the character of corporations has changed during the period for which we have figures. So far as the names of corporations are any indication of the purposes for which they are formed, the Maine list gives us some insight into this matter. In earlier days the companies which figure most largely are stage companies, road companies, canal companies, and insurance companies. Later on railroads assume more import-

ance, and at the same time the number of gas companies grows rapidly as this form of lighting is introduced into cities. In the last decade the growth has been mainly among manufacturing companies. The same facts are brought out in Table II, which gives the different species of corporations chartered in Ohio for a series of years.

It will be noticed here that certain things at one time very prominent entirely disappear later on, as, for instance, turn-pike companies. Railroads also are much more of a feature in the years 1851-73, for which a summary is given, than they are in the concluding years of the table. Manufacturing companies have constantly grown in importance. On the other hand, insurance companies remain stationary. Electric light and power companies are of course unknown in the earlier period, while the discovery of natural gas has since the year 1885 greatly increased the number of gas companies. In a measure, we have a picture in the figures of the changes which have occurred in the business of the country during the last forty years. It cannot be denied that the picture would be less indistinct by the calculation of percentages, but as it stands the outlines may be discovered.

Some of the lists permit a study of the capital of corporations chartered. Table III gives us certain facts with reference to Massachusetts.

This table distinctly shows that the recent growth in the number of corporations has not been due to the inauguration of numerous enterprises requiring vast capital, but to the application of this form of doing business to enterprises with small capital. This is undoubtedly a departure from the idea under which companies were first formed. It has therefore been called an unnatural development of the corporation. This is not, however, to be discussed here; it is our purpose to ascertain simply the facts in the case. Looking at the averages, we see an irregular but, on the whole, constant decline in the average capital per corporation. It seems proper to overlook the period before 1860 in this mat-

Table II. PURPOSES FOR WHICH CORPORATIONS WERE CHARTERED IN EACH YEAR IN OHIO.

Year.	Banks, Savings and Loan Associations.	Building and Loan Associations.	Co-operative Trade Associations.	Electric Light and Power Companies.	Gas Companies.	Insurance Companies, Fire and Life.	Manufacturing Companies.	Mining Companies.	Plank Road Companies.	Printing and Publishing Companies.	Railroad Companies.	Street Railroad Companies.	Telephone Companies.	Turnpike Companies.	Companies for various purposes.	Total.
1871	..	93	2	..	4	9	118	29	..	15	47	11	..	9	19	348
1872	..	57	..	..	..	3	134	55	..	12	62	14	..	6	44	387
1873	21	64	2	..	4	6	138	39	1	20	32	17	3	3	36	386
1874	12	47	3	..	7	2	99	28	2	13	12	10	..	8	36	279
1875	18	64	7	..	4	5	95	28	..	11	28	20	3	1	52	346
1876	10	38	40	..	3	11	57	23	..	11	26	5	4	8	25	261
1877	5	32	29	..	2	27	57	12	..	12	28	4	4	5	45	242
1878	2	28	8	..	8	4	71	14	1	10	30	4	..	4	42	226
1879	2	34	5	..	6	3	110	28	2	9	27	5	..	2	64	294
1880	..	56	7	..	2	1	176	41	..	11	35	6	19	..	38	392
1881	2	47	4	19	5	7	171	31	..	16	67	4	15	..	89	477
1882	4	75	4	4	5	4	283	34	..	19	42	6	6	..	95	581
1883	11	97	8	16	8	3	250	35	..	26	27	4	6	..	101	602
1884	10	58	5	15	10	8	200	23	..	25	18	5	9	..	121	507
1885	2	52	5	8	37	7	196	18	..	28	17	5	28	..	165	578
1886	6	62	3	11	89	23	205	17	..	26	27	7	26	..	119	621
1887	11	84	22	20	183	15	257	30	..	19	36	23	19	..	156	775
1888	6	93	6	25	36	8	277	31	..	29	20	10	1	..	122	664
1889	13	90	4	51	30	8	312	23	..	16	24	19	2	..	156	748
1891-73	21	450	27	..	77	112	1,011	324	45	100	360	118	13	300	998	3,966

Table III. CORPORATIONS CHARTERED UNDER GENERAL LAWS OF MASSACHUSETTS.

	Number.	Capital.	Average Capital.	Capital in Groups of Thousand Dollars.											5000 and over.
				Under 5	5-10	10-20	20-30	30-50	50-100	100-250	250-500	500-1000	1000-3000	3000-5000	
1851	8	\$409,800	\$51,225	..	2	1	..	2	1	2	..	..	..	..	..
1852	20	985,800	49,260	..	4	3	..	2	2	3	..	..	..	..	..
1853	20	2,022,000	96,810	..	2	2	3	5	3	4	..	..	..	..	..
1854	13	783,000	60,231	..	1	5	5	2	..	4	..	..	..	..	..
1855	31	1,698,100	54,455	..	4	8	5	2	6	5	1	..	..	..	..
1856	27	1,837,900	69,181	..	5	3	4	4	7	3	1	1	..	..	..
1857	25	1,663,500	66,540	..	3	4	7	4	4	2	..	2	..	..	..
1858	11	563,500	51,318	..	..	3	3	3	3	1	..	1	..	..	..
1859	20	1,775,000	88,750	..	4	5	3	1	4	2	3	..	..	..	..
1860	21	3,520,750	120,036	1	..	6	2	1	4	2	..	1	1	..	..
1861	16	746,200	46,637	..	2	4	2	..	4	4	..	..	..	..	..
1862	20	1,211,863	60,693	..	3	3	6	3	6	4	..	..	..	..	..
1863	56	46,815,000	194,250	..	2	5	4	3	17	15	12	8	..	..	..
1864	174	46,815,000	252,172	..	..	1	6	8	16	54	44	39	..	..	..
1865	136	26,315,500	135,486	..	2	7	9	10	23	90	25	18	..	..	..
1866	102	14,460,500	140,286	..	1	6	14	16	23	27	16	4	..	..	..
1867	87	8,721,000	111,735	..	2	2	7	15	18	26	7	7	..	..	..
1868	89	10,968,975	122,123	..	7	6	10	5	13	26	3	3	..	..	..
1869	96	6,435,300	110,273	..	..	4	6	6	14	19	3	4	..	..	..
1870	29	3,405,000	117,414	..	1	3	4	3	5	9	2	2	..	..	..
1871	38	10,351,860	115,172	7	5	6	11	12	11	21	9	6	..	..	..
1872	82	10,631,850	128,529	6	6	10	10	15	15	21	6	7	1	..	..
1873	89	8,751,450	68,286	6	4	10	10	13	15	19	4	4	1	..	..
1874	78	5,850,360	62,722	4	10	13	11	13	13	12	6	1	..	..	..
1875	93	4,770,500	62,502	17	4	13	13	11	13	16	3	1	..	..	..
1876	65	4,104,210	62,502	17	3	12	8	3	19	10	3	2	..	..	..
1877	71	5,027,550	82,076	7	8	12	8	6	17	10	3	..	..	..	..
1878	78	6,044,750	74,984	7	12	19	9	8	7	12	3	..	1	..	..
1879	75	6,027,925	80,372	6	11	14	7	7	15	12	3	..	1	..	..
1880	145	18,754,480	136,245	6	14	24	16	15	21	32	11	5	..	..	..
1881	153	14,449,100	97,097	12	21	24	15	10	18	35	10	5	2	..	..
1882	141	9,438,820	68,997	12	21	28	19	14	20	21	4	3	1	..	..
1883	135	9,729,100	72,534	8	25	22	17	17	22	19	5	4	1	..	..
1884	143	9,675,300	67,594	5	17	33	15	18	20	25	7	3	..	..	..
1885	113	5,479,700	48,431	12	23	19	15	15	15	15	4	1	..	..	..
1886	143	5,507,750	38,516	20	24	34	20	12	14	15	4	..	..	..	..
1887	155	6,514,300	42,018	16	29	33	16	23	8	18	16	2	..	..	..
1888	195	10,592,950	54,317	16	29	43	35	22	18	23	5	3	1	..	..
1889	233	10,669,235	45,705	23	29	57	44	24	25	20	9	2	..	..	..

NOTE.—The figures given in the above table represent as far as possible only business corporations. Since the year 1880 these have had a separate list in the reports. Previous to that date it was a comparatively easy matter to separate out such corporations which, though having capital, were not organized for strictly business purposes. This will account for discrepancies between figures given here and in the reports.

ter, as there was at that time a totally different meaning attached to the ideas small and large capital. For the period subsequent to that date the fact is apparent. One may also compare the average capital of the corporations chartered in 1889, \$45,705, with that of the corporations sending in annual returns in the same year, which was \$167,907. If we turn now to the groups into which we have classified the capital, we find that from 1863 to 1881 the largest group each year is either that of \$100,000 to \$250,000 or, in three years only, that of \$50,000 to \$100,000, whereas after the year 1881 the most numerous group is either that of \$10,000 to \$20,000 or, in two cases, that of \$5,000 to \$10,000. Again, make the amount \$30,000 a dividing line, and it will be seen that in the first period here alluded to the majority of all corporations is on the upper side of the line, and in the latter period on the lower. The reader will be surprised to note the large number of corporations whose capital does not exceed \$5,000. The greater part of these are coöperative associations, though not exclusively so. In this class one finds in Massachusetts and elsewhere a considerable number of creamery associations.

The fact here established, at least so far as Massachusetts is concerned, is of the first importance. It indicates that companies are formed not so much because of the economic difficulty of conducting enterprises on any other basis, but because of other, legal, advantages which arise from this form of employing capital. There is ample reason to suppose that in many of the cases here classified there is no new enterprise whatever, but merely a conversion into a corporation of a business hitherto carried on successfully by a private firm. We shall return to this point later. The main result of our investigation thus far, that the recent growth has been mainly among the smaller companies, is capable of further proof. In view of the importance of this point, we present additional tables on the subject. Table IV gives the facts for the manufacturing corporations chartered in Ohio for a series of years.

Table IV.

CAPITAL OF MANUFACTURING CORPORATIONS CHARTERED IN OHIO, UNDER GENERAL LAWS.

Year.	Number.	Capital.	Average Capital.	Capital in Groups of Thousand Dollars.											
				Under 5	5-10	10-20	20-30	30-50	50-100	100-250	250-500	500-1000	1000-3000	3000-5000	5000 and over.
1872	134	\$17,554,500	\$131,004	..	2	5	15	12	36	50	5	5	4	..	..
1873	138	16,321,000	118,268	1	1	10	16	12	35	45	10	8	1	..	..
1874	99	9,172,500	92,651	2	3	7	9	13	29	29	5	2	..	..	..
1875	95	15,381,500	161,910	1	5	9	13	6	25	26	5	3	2	..	..
1876	57	5,309,000	93,140	1	2	4	5	4	13	24	4	..	..	..	..
1877	57	8,529,000	149,632	..	1	6	8	5	10	18	5	3	1	..	..
1878	71	13,841,400	180,865	1	6	7	8	4	16	23	2	1	2	..	1
1879	110	18,477,600	167,979	3	5	13	16	13	30	23	6	..	1	..	1
1880	176	24,363,000	138,426	3	12	30	26	23	29	31	8	9	4	..	1
1881	171	19,917,000	116,474	5	10	18	22	12	33	51	12	5	3	..	..
1882	283	36,225,750	128,006	6	11	33	41	27	60	59	24	13	9	..	..
1883	250	20,730,500	82,922	3	11	29	40	25	59	59	18	4	2	..	..
1884	200	22,579,600	112,898	4	16	26	28	17	45	44	12	5	2	..	1
1885	196	17,141,500	87,456	5	11	35	32	9	49	37	10	7	1	..	..
1886	205	27,410,900	137,151	10	21	31	40	9	39	37	12	2	2	..	2
1887	257	19,161,900	74,949	3	26	39	52	14	53	54	8	6	2	..	..
1888	277	17,530,850	69,176	9	21	32	60	14	80	48	8	4	1	..	..
1889	312	28,996,300	92,937	12	18	54	57	28	71	58	9	2	2	..	1

The growth of small corporations is not seen quite so clearly in this table as in the preceding. Yet it will be observed that in the later years the average capital per corporation varies between decidedly lower limits than in the earlier years of the table. In the groups also we can observe that the groups \$10,000 to \$20,000 and \$20,000 to \$30,000 increase in importance as compared with the groups \$50,000 to \$100,000 and \$100,000 to \$250,000. Make in this case a dividing line at \$50,000, and it will be seen that the number below this, at first considerably less than that above, becomes later almost the same as the latter.

In Table V, which follows, giving the facts for some other states, we do not find the growth of small corporations observed in Ohio and Massachusetts. In the western states, however, mining companies play a more important part, and this brings about the great irregularities observed in the

averages. It is not improbable that, if such companies could be sifted out, the fact elsewhere observed could be seen here also. The figures of the two preceding tables establish the fact very plainly for the eastern portion of the country, an inference that receives additional weight from the fact that such a development has been observed in European countries. Table V, which shows that our generalizations must not be carried too far, follows.

It is a matter of common observation that existing business enterprises are often turned into corporations for some advantages expected to flow from this form of organization. It is therefore evident that the new corporations do not represent new enterprises exclusively, or new investments of capital. The question arises, to what extent this is the case. A partial answer at least can be gleaned from the Massachusetts reports. All companies are required to report to the commissioner of corporations that the capital stock has been paid in, and also in what form of property such payment has been made. The facts upon these points are given in Table VI.

It is very clear from the foregoing table that the payment of cash is a small part of the capital actually invested in corporations, from which we may very readily infer that the great majority of corporations are formed on the basis of previously existing enterprises. This receives additional support from the fact that of the corporations certifying to the payment of capital in 1885 there were only seven in which the total capital was paid in cash, in 1886 twenty-two, in 1887 sixteen, in 1888 twenty-five, and in 1889 forty-one. If we ask whether the new investments of capital tend to change in the period observed, we find little change between the earlier and later years of our table. If differences exist at all, they are rather in favor of the later period, in which the investment of cash seems to bear a larger proportion of the amount invested than formerly.

The figures which have thus far been presented relate to

Table V.

CAPITAL OF CORPORATIONS.

	Year.	Number.	Capital.	Average Capital.	Capital in Groups of Thousands Dollars.												
					Under 5	5-10	10-20	20-30	30-500	50-100	100-250	250-500	500-1000	1000-3000	3000-5000	5000 and over.	
Wisconsin.	1880	90	\$8,246,050	\$91,623	21	6	11	17	5	6	18	2	2	2	..	..	
	1881	99	15,064,090	152,162	15	6	15	10	4	22	15	3	5	3	1	..	
	1882	164	13,647,114	83,214	23	13	29	21	14	19	23	18	3	1	..	..	
	1883	190	33,745,400	177,607	15	16	28	25	13	15	30	12	19	6	..	1	
	1884	189	27,355,070	144,736	30	20	24	26	17	24	23	9	9	5	1	1	
	1885	183	14,138,951	77,808	41	15	31	20	10	19	33	4	8	2	..	..	
	1886	262	85,890,080	324,008	29	20	32	36	15	32	33	5	18	39	2	1	
Nebraska.	1879	12	6,508,000	542,333	..	1	4	..	1	4	1	..	..	..	..	1	
	1880	14	7,302,000	521,572	2	1	..	4	..	2	2	1	1	..	..	1	
	1881	27	1,416,600	52,466	4	1	2	6	2	7	4	1	..	..	..	..	
	1882	36	3,107,500	86,319	3	3	4	2	3	8	9	4	..	..	..	..	
	1883	58	13,039,600	221,028	10	4	9	8	2	7	11	4	2	..	..	1	
	1884	76	8,390,650	110,403	7	7	8	15	4	14	14	..	4	3	..	..	
	1885	63	12,287,000	194,888	2	5	4	7	7	16	11	4	6	2	1	..	
	1886	113	19,123,300	169,233	5	4	15	19	12	24	27	3	2	1	..	1	
	1887	203	34,832,300	171,587	5	15	20	31	14	35	47	6	20	7	3	..	
	1888	207	65,636,240	317,083	10	4	25	27	14	57	32	14	12	4	1	7	
Arkansas.	1885	38	6,777,825	178,364	7	3	6	5	3	10	2	..	1	..	..	1	
	1886	62	49,333,200	795,697	6	8	9	4	9	8	5	1	1	2	3	6	
	1887	118	101,789,700	862,625	7	13	16	7	7	25	6	4	6	7	9	11	
	1888	121	18,378,050	151,885	10	8	17	20	9	27	13	5	6	3	..	3	
S. Carolina.	1887	20	906,300	45,315	1	..	3	5	2	6	3	..	..	..	..	..	
	1888	49	2,395,325	48,884	4	3	12	9	7	5	7	2	..	..	..	..	
	1889	78	2,812,100	36,052	12	6	16	15	5	12	12	..	..	..	..	..	
Mississippi.	1878	5	125,000	25,000	..	1	2	..	..	2	..	..	..	..	..	..	
	1879	5	250,000	50,000	..	..	..	..	..	5	..	..	..	..	..	..	
	1880	14	335,500	23,964	3	..	5	2	1	2	1	..	..	..	..	..	
	1881	27	1,555,000	57,592	5	2	2	5	3	7	1	1	1	..	..	..	
	1882	206	7,054,800	34,246	6	122	50	8	2	7	7	1	..	3	..	..	
	1883	39	2,920,300	74,879	6	3	1	6	2	16	4	2	2	..	..	..	
Missouri.	1887	407	27,941,885	68,653	45	46	76	52	42	62	55	19	7	3	..	..	
	1888	446	28,761,340	64,483	50	64	80	60	45	72	52	12	6	5	..	..	

the foundation of companies. It would be very instructive if we could add data as complete on the duration of the companies, especially if, by showing how many companies founded in each year survive after a given period, we could charac-

Table VI. PAYMENT OF CAPITAL. CORPORATIONS IN MASSACHUSETTS.

Year.	Number.	Capital Paid in.	Capital paid in.			Number of Corporations of which Capital is wholly or partially paid in.			
			In Real Estate.	In Personal Estate.	In Mixed Estate.	In Cash.	Real Estate.	Personal Estate.	Mixed.
1870	26	\$1,617,000	\$73,164	\$984,784	\$285,779	\$303,895	6	16	5
1871	63	5,673,654	1,323,005	2,422,596	1,608,175	259,878	20	40	19
1872	68	8,592,500	1,317,144	4,878,732	2,443,506	253,118	22	49	11
1873	74	9,875,800	1,277,176	4,319,248	3,956,586	322,790	21	51	15
1874	63	7,160,260	1,565,855	2,364,131	2,854,900	376,274	24	38	16
1875	86	6,889,850	711,431	2,840,235	2,675,550	671,834	23	56	20
1876	70	4,989,200	976,095	1,568,547	1,571,983	482,575	15	52	12
1877	71	5,663,775	1,776,842	1,427,972	1,444,767	1,021,374	23	47	11
1878	61	4,843,500	780,245	2,108,451	918,000	1,036,804	17	47	6
1879	48	2,999,500	522,779	1,682,784	372,000	421,937	12	31	6
1880	114	17,216,005	4,584,019	11,594,386	2,134,036	1,903,564	30	75	24
1881	119	10,578,400	1,351,986	4,994,727	2,995,425	1,236,262	30	77	23
1882	127	11,356,900	1,873,538	6,212,965	1,393,543	1,876,794	32	84	18
1883	117	10,833,900	2,253,450	3,688,066	3,164,210	1,728,174	33	76	21
1884	125	9,198,320	867,989	3,855,579	2,454,434	2,000,408	25	85	18
1885	89	5,307,200	634,351	2,752,272	577,631	1,342,446	19	75	17
1886	118	5,045,350	873,583	2,094,102	274,364	1,803,301	24	83	9
1887	121	5,606,900	1,705,886	2,917,030	.....	985,984	36	84	..
1888	142	7,302,250	1,535,495	3,517,693	.....	2,189,062	39	104	..
1889	183	9,967,035	4,684,461	3,710,000	.....	1,572,565	63	124	..

terize in a measure the period of foundation, as one of speculation or of sound conservative enterprise. Unfortunately for anything like this, the figures are conspicuously deficient. Here is the weak point in our statistics. We are only able to present one or two facts, which, of certain value as symp-

toms, can claim no further significance. In 1870 the state of Connecticut incorporated, as shown in Table I, sixty-two companies. In 1880 the Secretary of State published a list, giving the corporations under state laws then doing business in the state, and the number for 1870 was twenty-eight, or less than fifty per cent. In the same year, 1880, previous to the construction of the list mentioned, a statute of the state had annulled the charters of no less than 1,285 companies, most of which had probably long since ceased to have any actual existence. According to figures furnished in Table II, there were chartered 3,956 business corporations in Ohio in the years 1851-73, while in the latter year the county auditors reported only 1,148 companies as paying personal property taxes. This will show that it is utterly impossible to gather from the figures showing incorporations the number of corporations actually carrying on any business. It is not meant by this that such companies are peculiarly subject to failure, for the fact may be largely explained by the well-known fact that so many corporate enterprises never get any further than organization, which is a much simpler matter than obtaining subscriptions to the stock. In the state of Massachusetts, as already stated, corporations are required to file a certificate of the payment of their capital stock. Between the years 1870 and 1888 there were 2,204 corporations chartered in that state, but up to the end of the year 1889 certificates of the payment of capital had been filed by 1,889 corporations, leaving quite a number that never reached the point of collecting their capital. Many fail or go into voluntary liquidation after successfully starting. According to the requirements of the Massachusetts law, all business corporations must make an annual report of condition to the commissioner of corporations. Failure to do so leads to an annulment of the charter. In 1870 there were 181 corporations making such returns. From 1870 to 1888 there were chartered, as shown in Table III, 2,051 corporations, or a total of 2,232, which, if all were in existence, should make returns in 1889. But the number making returns in the last year was

1,369, leaving 863 unaccounted for. Some never paid in their capital stock, as already seen, and the remainder have dropped off on the way. The question naturally arises, Is not this a very large percentage of falling off? Unfortunately, there are no means of answering the question. To do so we should have to compare the figures given with the number of business enterprises of every description started and discontinued.

The results of our investigation are sufficiently clear to require no special summing up. In conclusion, some remarks on the statistics themselves may not be out of place. It is rather surprising that in a matter of such general interest so few states should publish even the lists of companies incorporated. As long as this remains the case it will be impossible to secure anything like exhaustive figures on the subject. Looking through the reports of the different Secretaries of State, I find suggestions on the subject of annual returns in several cases. If carried out, these would give us valuable figures, especially in states where the formalities of taking out certificates of incorporation are not so strict as in Massachusetts, whose laws on the subject of corporations are the most complete of any state in the Union. Beyond the few points touched on in the preceding pages the statistics of private corporations cannot go without the expenditure of a great deal of effort. Much remains to be done to perfect the points which we have discussed. To take up new points, the principal which suggest themselves are a comparison of the number of new corporations with new business firms, as well as the failures in each class. Again, considerable information could be gained from the dividends paid by companies. It will readily be seen that these desirable points hardly come within the range of practicability except for some special investigation furnished with large means. For some reason or other, corporations as such have never sufficiently occupied public attention to become the subject of official investigation either in this country or in Europe. The attainable facts for foreign countries, therefore, do not go much further than those furnished here for single states of this country.